

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
JANUARY 19, 2004**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, January 19, 2004.

The meeting was called to order at 7 PM by Chairman Ken Sendelweck, who presided.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Ken Sendelweck – Chairman
Greg A. Krodel – Vice Chairman
Jeffrey S. Theising – Secretary
Dennis L. Hasenour – Electric Commissioner
Mike Harder – Water Commissioner
Michael A. Schwenk – Wastewater Commissioner
Edward J. Kreilein – Gas Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Thomas A. Lents – Wastewater Manager
Michael A. Oeding – Gas & Water Manager
Kenneth R. Schultz – Business Manager
Sandy Hemmerlein – City Attorney

PLEDGE OF ALLEGIANCE (B-15)

Chairman Ken Sendelweck led the Pledge of Allegiance.

REORGANIZATION OF THE UTILITY SERVICE BOARD FOR 2004 (B-22)

Ed Kreilein presented the nominations for positions on the Utility Service Board as follows:

Ken Sendelweck – Chairman
Greg Krodel – Vice Chairman
Ed Kreilein – Secretary
Mike Schwenk – Electric Commissioner
Jeff Theising – Water Commissioner
Mike Harder – Wastewater Commissioner
Dennis Hasenour – Gas Commissioner

Mike Harder made a motion to close the nominations. Mike Schwenk seconded the motion. Motion approved, 7-0.

Mike Schwenk made a motion to elect the slate as nominated. Jeff Theising seconded the motion. Motion approved, 7-0.

APPROVAL OF APPOINTMENTS BY MAYOR OF UTILITY MANAGERS (B-59)

Chairman Sendelweck presented the appointments made by the Mayor of the Utility Managers as follows:

Tom Lents – Wastewater Manager
Mike Oeding – Gas & Water Manager
Jerry Schitter – Electric Distribution Manager
Ken Schultz – Business Manager
Windell Toby – Electric Generation Manager

Dennis Hasenour made a motion to ratify the appointments as presented. Ed Kreilein seconded the motion. Motion approved, 7-0.

QUOTE OPENING: NEW VEHICLE – WASTEWATER (B-73)

Tom Lents explained that this vehicle is replacing the van for the Industrial Pretreatment Department.

Sandy Hemmerlein stated that Lents requested four quotes, but only received two.

Hemmerlein opened the quotes and read them aloud as follows:

- | | | |
|----|--------------------|---|
| 1. | Uebelhor & Sons | 2004 Chevy Astro All-wheel drive passenger van \$27,145.00 - 7,860.00 trade-in 1990 Aerostar \$19,285.00 |
| 2. | Bob Luegers Motors | 2004 GMC Safari All-wheel drive passenger van \$20,257.00 after deduction of trade-in |

Ed Kreilein made a motion for Tom Lents to take the quotes under advisement and report back to the Board. Mike Schwenk seconded the motion. Motion approved, 7-0.

This expenditure was previously approved as part of Lents' 2004 Capital Expenditure Plan.

QUOTE OPENING: COPY MACHINE – GAS & WATER (B-116)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

- | | | |
|----|---------------------------|--|
| 1. | Better Quality Business | \$6,925.00 with trade-in & government discount |
| 2. | Hoosier Business Machines | \$6,165.00 with trade-in, government discount & in-stock promotion discount |

Mike Oeding stated if the low bid meets the specifications, he wanted approval to proceed before the end of the month to take advantage of the in-stock promotion.

Mike Harder made a motion to allow Mike Oeding to proceed with the purchase of the copy machine from the low bidder, providing it meets the specifications. Ed Kreilein seconded the motion. Motion approved, 7-0.

This expenditure was previously approved as part of Oeding's 2004 Capital Expenditure Plan.

APPROVAL OF MINUTES (B-143)

Chairman Ken Sendelweck presented the minutes of the December 15, 2003 meeting and there being no corrections or amendments, asked for a motion to accept. Ed Kreilein made a motion to approve the minutes of the December meeting as presented. Jeff Theising seconded the motion. Motion approved, 7-0.

PUBLIC BUSINESS – REQUEST FOR SEWER EXTENSION (B-153)

Ken Brosmer, representing Todd Kerstiens, came before the Board to request an extension of the sanitary sewer to a piece of land outside the City limits.

Brosmer presented a map showing the property and explained it is 50 acres just west of Diamond Ridge Estates and south of Green Meadows. He said at this time, Mr. Kerstiens plans to develop 31.75 acres, consisting of approximately 47 lots. The development will be known as Brookstone Estates.

Tom Lents said it would not be a problem with the lift station located on County Rd. 400 W.

Sandy Hemmerlein reminded Mr. Brosmer of the new policy requiring the owner to sign an annexation waiver. She said it is her understanding that the engineer's office has reviewed the development and the Mayor is considering discussing the possibility of annexation with the City Council. Hemmerlein said the Board can give approval, but it needs to be contingent upon either signing an annexation waiver or perhaps a petition or other document in the event the Council decides to pursue annexation.

Mr. Brosmer said annexation was discussed with Mr. Kerstiens and he would be willing to sign an annexation waiver.

Mike Schwenk made a motion to approve the request for sewer extension to Brookstone Estates, Lots 1 through 47, contingent upon execution of the annexation waiver. Dennis Hasenour seconded the motion. Motion approved, 7-0.

PUBLIC BUSINESS – REQUEST FOR SEWER EXTENSION (B-218)

Chad Hurm, City Engineer, came before the Board on behalf of the Parks Board to request approval to extend a sanitary sewer line to the park along County Rd. 100 S.

Mr. Hurm presented a map showing the area.

Tom Lents stated he had no problem with allowing the extension.

Mike Schwenk made a motion to approve the request for the sewer extension at the cost of the Park Board, and at specifications as described. Greg Krodel seconded the motion. Motion approved, 7-0.

UPDATE – NEW WAREHOUSE CONSTRUCTION (B-393)

Jerry Schitter reported on the demolition and reconstruction of the new line warehouse. The week of Christmas, Lechner's started excavating the old lean-to building and a dirt embankment to prepare the site for construction. During excavation they discovered a containment pit or a septic tank containing liquid and a slurry solution that was not in the specifications for demolition. Schitter said at Commonwealth's direction, American Enviro Services was called in to take a liquid and a solid sample for analysis. It was discovered that the liquid needed to be disposed of, but couldn't be taken to a regular landfill, and the solids contained a small amount of lead that had to also be disposed of at a special landfill.

Schitter said the cost for disposal, flushing, and clean up was \$7,561.23, and the lab tests will be approximately \$1,200.00.

David Henson of Commonwealth came before the Board to explain some unforeseen problems with the project and to request the approval of a change order.

Mr. Henson explained that besides running into the tank during excavation, they also discovered the interior floor slab is lower than expected and they hit sandstone. He said they had to shelf it off and now will have to change the footings and encapsulate the area so it doesn't start breaking away.

Mr. Henson indicated that Change Order #1 would be for \$23,407.86 for removal of subsurface sandstone and additional obstructions, removal of subsurface "soft" areas, and to construct a concrete wall inside the building addition to cover the exposed sandstone.

Mr. Henson also stated they will have to do subsurface excavation below footings to remove poor soil conditions and then replace it with flowable fill to footing elevation. Jasper Lumber gave them a unit price of \$7.50 per cubic yard, plus labor, for digging out the existing footings on the outside, and a unit price of \$50.60 per cubic yard, plus labor, to put back a flowable fill material. Based on the unit prices, he estimates the total cost to be around \$9,500.00 to dig the 8-9 feet that he thinks will be necessary. He said he will bring the change order to the Board for approval, but is just asking for immediate approval of the unit prices so the contractor can proceed.

Mr. Henson also asked for a calendar day change of 21 days for Lechner's due to the delay from all of the problems.

Dennis Hasenour made a motion to approve Change Order #1 for \$23,407.86, and the calendar day change of 21 days. Jeff Theising seconded the motion. Motion approved, 7-0.

Ed Kreilein made a motion to approve the unit prices based on a letter from Jasper Lumber, and to allow them to proceed. Jeff Theising seconded the motion. Motion approved, 7-0.

JOINT USE POLE ATTACHMENT AGREEMENT (B-648)

Jerry Schitter stated that IMEA has been working on drafting a generic joint use pole attachment agreement for all municipalities to use. IMEA has hired Spectrum Engineering of Indianapolis to negotiate new pole attachment agreements, representing all of the participating municipalities.

Schitter said he is not sure of the cost because it will depend on how many municipalities participate in the program. So far 41 municipalities have shown an interest. Schitter said Spectrum estimates the cost will be \$15,000 - \$20,000 per company to negotiate a contract, which will be divided among the participating municipalities. Schitter said he will have two contracts to negotiate, one with Insight Communications and one with Verizon. He recommended establishing a cap of \$5,000 per contract.

Schitter said the current charge for pole attachments, based on our current agreements, is \$6.25 per attachment, and Spectrum Engineering said the going rate is approximately \$13.00 per attachment, but they won't know for sure what they can get until they start negotiating.

Ed Kreilein made a motion to allow Jerry Schitter to proceed with his request, and to establish a cap of \$5,000 per contract, for a total cap of \$10,000. Jeff Theising seconded the motion. Motion approved, 7-0.

Sandy Hemmerlein stated that IMEA has hired Mike Cracraft to re-write the underlying contract that they are now going to negotiate.

Chairman Sendelweck stated that Jerry Schitter was profiled as Vice President of IMEA's Board in the latest issue of the IMEA newsletter, and he has been a part of that organization since 2000.

DEAERATOR HEATER INSPECTION (B-766)

Windell Toby informed the Board that Hartford Insurance has requested an inspection of the deaerator heater while the plant is shut down for maintenance in April. He said apparently there have been some problems with them rupturing.

Toby estimates the cost for the inspection to be between \$4,500 and \$5,000, and asked for approval to seek quotes.

Mike Schwenk made a motion to allow Windell Toby to seek quotes for a deaerator heater inspection. Mike Harder seconded the motion. Motion approved, 7-0.

ASBESTOS REMOVAL BIDS (A-31)

Windell Toby informed the Board that he is going to advertise for the asbestos removal bids.

ELECTRIC PLANNING COMMITTEE REPORT (A-37)

Dennis Hasenour stated there had not been a meeting to report on.

UPDATE – SOUTH TOWER PROJECT (A-39)

Mike Oeding reported that the South Tower Project is shut down until spring for the exterior painting. The interior is complete. Three new rectifiers have been installed.

UPDATE – CLEARWELL PROJECT (A-95)

Mike Oeding reported the motor control enclosure foundation has been poured, and the enclosure should be arriving soon.

Oeding said while the contractor was digging out to set the control valve pit, a thrust block shifted and allowed a 12” water main to pull apart, which required a boil order to be issued because of low pressure in various parts of the City.

Oeding said normally IDEM requires a boil order to be issued every time there is a leak, but his department does not because they repair leaks while under pressure, so there is no back flow.

Oeding said he is only required to notify the media that a boil order has been issued, but he did notify various institutions, schools, etc.

UPDATE – OLD WATER PLANT DEMOLITION (A-158)

Mike Oeding reported the old water demolition is scheduled to begin on January 21st. IDEM has done their inspection. The road is closed now and will remain closed until the demolition is complete.

ADVANCE GAS PURCHASE SAVINGS (A-169)

Mike Oeding reported on the gas purchases made since he presented the options to the Board in July, and presented the figures to the Board.

In December, we purchased 65,000 DTH at \$4.85 per DTH. Within 48 hours of doing so, the price of gas jumped to \$5.85 per DTH. He also purchased 49,135 DTH at \$5.40 per DTH.

In January, Oeding anticipates using about 120,000 DTH of additional gas at a cost of \$6.10 per DTH.

Oeding commented that the Gas Department saved its customers about \$4,130.00 so far in gas purchase costs by buying gas as part of an advance purchasing agreement.

Oeding said he anticipates even higher prices in the next few months.

GAS PLANNING COMMITTEE REPORT (A-207)

Ed Kreilein stated there had not been a meeting to report on.

WATER PLANNING COMMITTEE REPORT (A-208)

Mike Harder stated there had not been a meeting to report on.

UPDATE – UV LIGHT / SEWER REHAB PROJECT (A-209)

Tom Lents reported that the UV Light System has been installed, but is currently shut down until they receive maintenance and operational training in mid March.

The Sewer Rehab Project is complete, except one outstanding punch list item that Reynolds In Liner is working on.

REQUEST APPROVAL OF UV DISINFECTION SYSTEM CHANGE ORDER (A-223)

Tom Lents reminded the Board of the change order presented at last month's meeting for \$965.00 for electrical modifications on the UV Light System. He said it had to do with purchasing a transformer because the plant was not equipped with the correct configuration of wiring.

Lents contacted the engineers for more information and it was discovered to be a misinterpretation of information when asked if the Wastewater Plant had a 4-wire wye configuration. Lents said they have a 4-wire configuration to the transformer, but when the plant was built, in order to save money, they only brought 3 wires in, so the extra transformer was needed for the fourth wire to the UV Light System.

Mike Schwenk made a motion to approve the change order for Division A for Deig Bros. for \$965.00. Dennis Hasenour seconded the motion. Motion approved, 7-0.

APPROVAL TO SELL USED MANHOLD LIDS & RISERS (A-259)

Tom Lents reported that Wild Ridge Resort has expressed an interest in purchasing 8 sets of used manhole lids and risers. Lents said he can sell them for \$25.00 per set, for a total of \$200.00.

Greg Krodel made a motion to allow Tom Lents' request to sell 8 sets of used manhole lids and risers for \$25.00 per set. Jeff Theising seconded the motion. Motion approved, 7-0.

REQUEST TO REPLACE EMPLOYEE (A-284)

Tom Lents requested to table this issue.

WASTEWATER PLANNING COMMITTEE REPORT (A-289)

Mike Schwenk stated there had not been a meeting to report on.

CONFLICT OF INTEREST DISCLOSURE STATEMENTS (A-290)

Ken Schultz presented the annual conflict of interest disclosure statements for Jerry Schitter and Mike Oeding.

Schultz stated Jerry Schitter is a member of the Board of IMEA, which sets membership fees and fees for safety training classes in which the City of Jasper is or may be a participant.

Ed Kreilein made a motion to accept the conflict of interest disclosure statement from Jerry Schitter. Mike Schwenk seconded the motion. Motion approved, 7-0.

Schultz also stated that Mike Oeding is a member of the Board of the Gas Utility Alliance which makes decisions regarding insurance coverage and claims to which the City of Jasper is or may be a participant.

Jeff Theising made a motion to accept the conflict of interest disclosure statement from Mike Oeding. Mike Harder seconded the motion. Motion approved, 7-0.

POLICY REGARDING ADVERTISEMENTS WITH UTILITY BILLINGS (A-224)

Ken Schultz presented Resolution USB 2004-01 regarding advertisements with Utility billings. He explained since going to an envelope type bill, he has had periodic requests to include a flyer along with the utility bills. He has decided, due to a situation that came up last year, there should be a policy in place concerning the advertisements.

Schultz read the resolution aloud.

Dennis Hasenour made a motion to approve the resolution as presented. Mike Schwenk seconded the motion. Motion approved, 7-0.

PLANS FOR OLD WATER PLANT PROPERTY (A-377)

Ken Schultz presented Resolution USB 2004-02 regarding plans for the old water plant property.

Schultz said when it came time to decide how to handle the cost of the demolition of the old water plant; the State Board of Accounts was contacted to get their input on expensing it or capitalizing it. Their recommendation was to expense it and not include it as part of the cost of the property. Schultz said they also suggested that we put in writing what our plans are for the property after demolition.

Schultz read the resolution aloud.

Jeff Theising made a motion to approve the resolution as presented. Ed Kreilein seconded the motion. Motion approved, 7-0.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (A-412)

Jeff Theising reported the Finance Committee had met and reviewed the claims on the Claim Docket.

Also presented were claims on behalf of Commonwealth Engineering, Inc. in the amount of \$11,623.48, representing ongoing engineering services for the Wastewater Project; and on behalf of

Harrison and Moberly, LLP in the amount of \$294.00, representing legal expenses associated with the Titan Contracting default for the Wastewater Project.

SRF and BIF funds have been exhausted, therefore after Utility Service Board approval, the above referenced claims will be paid from Wastewater funds.

Also presented were claims on behalf of Commonwealth Engineering, Inc. in the amount of \$1,773.00, representing ongoing engineering services for the Water Project; and on behalf of Utility Services Construction, Inc. in the amount of \$37,605.00 of which \$1,880.00 is retainage; and on behalf of Mitchell & Stark Construction Co. in the amount of \$11,122.00, both of which represent construction services for the Water Project.

After Utility Service Board approval, the above referenced claims will be submitted to the State Revolving Loan Fund for payment.

The Finance Committee recommended approval of the claims as presented.

Mike Schwenk made a motion to accept the claims as presented. Ed Kreilein seconded the motion. Motion approved, 7-0.

Theising also reported that Ken Schultz presented and briefly discussed the following:

1. Resolution USB 2004-01 regarding advertisement with Utility billings.
2. Resolution USB 2004-02 regarding plans for the old water plant property.
3. Agreement between the Utility Service Board and the Storm Water Management Board regarding a fee imposed on the Storm Water Management Department for the cost of billing the Storm Water User Fee.

CONTRACT FOR BILLING WITH STORM WATER MANAGEMENT BOARD (A-442)

Sandy Hemmerlein presented an agreement to provide services between the Utility Service Board and the Storm Water Management Board.

Hemmerlein said the Storm Water Dept. has been paying the utilities 10 cents per bill per month. She said she drafted the agreement in anticipation of the State Board of Accounts requiring such an agreement.

Hemmerlein read the agreement aloud.

Ken Schultz stated the 10-cent fee was derived from adding the postage and the cost of envelopes and billing paper, and prorated among the 5 departments now using the billing system.

Mike Harder made a motion to approve the billing agreement as presented. Jeff Theising seconded the motion. Motion approved, 7-0.

Councilman Butch Schitter asked Ken Schultz about saving money by billing storm water fees on a landlord's regular utility bill.

Ken Schultz said the “special landlord billing” was taken into consideration, but because of the logic considerations in the programming and the cost to modify the logic, it was set up as is. Schultz further explained landlords can write 1 check for any and all accounts that he/she is paying for or they can set up the direct pay option.

Schultz stated there are about 425 direct pay customers at this time.

CONTINUING EDUCATION REIMBURSEMENT REQUEST (A-538)

Mike Oeding requested Board approval for reimbursement of \$1,388.00 to Mike Gould for job related training at ITT.

Oeding said the training is for direct current motor controls and different feed controls.

Gould should complete the course in March.

Dennis Hasenour made a motion to approve the reimbursement of \$1,388.00 to Mike Gould for job related training at ITT, subject to Gould passing the course. Jeff Theising seconded the motion. Motion approved, 7-0.

There being no further business to come before the Board, the meeting was adjourned at 8:43 PM upon motion by Dennis Hasenour and second by Mike Harder. Motion approved, 7-0.

Attest: _____
Secretary

Chairman